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January 29, 2019

To: The Honorable Aaron Ling Johanson, Chair,

The Honorable Stacelynn K.M. Eli, Vice Chair, and

Members of the House Committee on Labor and Public Employment

Date: Tuesday, January 29, 2019

Time: 9:00 a.m.

Place: Conference Room 309, State Capitol

From: Scott T. Murakami, Director

Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 34 RELATING TO WAGES

I. OVERVIEW OF PROPOSED LEGISLATION

HB34 amends the Wages and Hours of Employees on Public Works Law (Chapter 104, Hawaii Revised Statutes [HRS]), section 104-2 by adding a foreperson classification required to be reported on the certified payrolls for public works construction.

DLIR <u>offers comments</u>, suggests some clarifications are required, and proposes an amendment.

II. CURRENT LAW

Currently forepersons working at the construction site are included under the classification of work they are participating in. Supervisory forepersons who are not working as a laborer or mechanic at the public work site are not required to be reported on the certified payrolls.

III. COMMENTS ON THE HOUSE BILL

DLIR believes that the law currently covers working forepersons on the job as most prevailing rates in Hawaii are covered under a collective bargaining agreement, which may include when the designation of a foreman is required. Also, collective bargaining agreements may distinguish between "working foremen" and "foreman".

The proposal states, "... follow the requirements stated in the collective bargaining

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agreement when the basic hourly rate is established by a collective bargaining agreement;". The Department seeks clarification about the nature of these collective bargaining requirements, and should they be stated in the measure? DLIR notes that collective bargaining agreements have varying requirements and any change to such agreements would bind State statute.

If the measure continues to go forward through the legislative process, DLIR recommends adding a neutral gender definition for "foreperson".

The Department notes this measure is intended to bolster the enforcement of prevailing wage law, but it may require additional resources to effectuate. DLIR suggests consideration of the request for an additional staff as identified in the Governor's Biennium Budget request and in section 8 of HB1186 as a method to bolster enforcement and restore the capacity of the Wage Standards Division.



<u>HB-34</u> Submitted on: 1/28/2019 10:46:41 AM

Testimony for LAB on 1/29/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold	Ironworkers Stabilization	Support	No

Comments: